

September 27, 2017

**VIA ELECTRONIC FILING**

Jocelyn Boyd, Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

RE: Duke Energy Carolinas, LLC's 2017 Integrated Resource Plan  
Docket No. 2017-10-E – Response to Order No. 2017-577.

Dear Ms. Boyd:

On September 1, 2017, Duke Energy Carolinas' LLC ("DEC") filed its 2017 Integrated Resource Plan Annual Report ("IRP") along with a Motion for Confidential Treatment of certain portions of the IRP that contain confidential and proprietary information regarding wholesale sales and purchased power contracts. The Office of Regulatory Staff objected to DEC's Motion for Confidential Treatment on September 12, 2017. On September 13, the Commission issued Order No. 2017-577 which held in abeyance DEC's motion and requested DEC respond to the objections of ORS within two weeks of September 13, the date of its Order. This letter is DEC's response to the issues identified by the Commission in Order No. 2017-577.

**Usefulness of information to members of the public.** The first issue identified by Order No. 2017-577 that DEC was requested to address is the usefulness of the information for which confidentiality was requested to members of the general public. The information at issue is contained in Tables 8-A and 8-B on pages 84 through 85 and Tables 11-A and 11-B on pages 101 through 103 of the IRP. All of the information for which protection from disclosure is sought is information on specific wholesale contracts by which DEC purchases and sells power in the wholesale market. DEC proposes to provide the information in these tables on an aggregated or consolidated basis that would allow members of the public to understand the relevant inputs into the IRP modeling but which would not include specific information on the various contracts that DEC has with sellers and purchasers. Attached as Exhibit A to this letter is a revised version of Tables 8-A, 8-B, 11-A, and 11-B, which contain the aggregated information that DEC proposes to provide. DEC believes that this information would be useful to members of the general public but that the specific information about the various contracts would not be of any legitimate interest to the general public.



**Level of harm to DEC and its wholesale counterparties.** The second issue identified by Order No. 2017-577 that DEC was requested to address is the harm to DEC as a result of disclosure of the information for which protection was sought. The information that DEC seeks to protect is a listing of various specific wholesale sales and purchase contracts. DEC has entered into a number of wholesale power sales contracts and power purchase contracts with a variety of entities including wholesale co-operatives and municipalities. These contracts, which are filed rates at the Federal Energy Regulatory Commission ("FERC"), contain confidentiality clauses that prohibit the public disclosure of contractual information. Just as the utility is prohibited from disclosing individual retail customer information without customer consent, any single wholesale customer is contractually afforded the same levels of protection from public disclosure of information. To violate this confidentiality would have adverse contractual and reputational ramifications for the utility and the customers it serves, and would constitute a violation of DEC's obligation under FERC's filed rate doctrine. Furthermore, as DEC's wholesale customers negotiate future contracts in the wholesale marketplace, they have an expectation that DEC will honor the confidentiality agreements in their existing contracts. The inability of DEC to provide meaningful confidentiality protections would adversely impact DEC's ability to contract with current and potential customers and suppliers.

DEC believes that providing the wholesale contract information on an aggregated basis as proposed in this letter is an appropriate balancing of the right of the public to understand the inputs used in developing the 2017 load forecast and the resources in the IRP with DEC's compelling and legitimate interest in maintaining the confidentiality of its contracts. Accordingly, DEC renews its request for confidential protection of Tables 8-A, 8-B, 11-A, and 11-B of its 2017 IRP, as attached hereto as Exhibit A.

The Office of Regulatory Staff has reviewed this filing and has authorized me to represent to the Commission that the ORS supports DEC's proposed approach as outlined in this letter.

Yours truly,

Frank R. Ellerbe, III

FRE:tch  
Enclosure

cc: Dawn Hipp, ORS - Director of Utilities, Safety & Transportation  
Nanette S. Edwards, ORS - Deputy Executive Director  
Jeffrey M. Nelson, ORS - Chief Counsel & Director of Legal Services  
Shannon Bowyer Hudson, ORS - Deputy Director of Legal Services  
Heather Shirley Smith, Deputy General Counsel  
Rebecca J. Dulin, Senior Counsel

**DUKE ENERGY CAROLINAS, LLC**  
**2017 INTEGRATED RESOURCE PLAN**

**Docket No. 2017-10-E**

**Exhibit A**

**to September 27, 2017 letter**

**Response to Order No. 2017-577**

**Table 8-A Wholesale Sales Contract Expirations**

<b>DEC</b>	
	<b>Wholesale Sales Contract Expirations</b>
<b>2018</b>	-
<b>2019</b>	<b>302 MW</b>
<b>2020</b>	-
<b>2021</b>	-
<b>2022</b>	-
<b>Total</b>	<b>302 MW</b>

**Table 8-B Wholesale Purchase Contract Expirations**

	<b>DEC</b>
	<b>Wholesale Purchase Contract Expirations</b>
<b>2018</b>	
<b>2019</b>	<b>38 MW</b>
<b>2020</b>	<b>3 MW</b>
<b>2021</b>	<b>86 MW</b>
<b>2022</b>	<b>6 MW</b>
<b>Total</b>	<b>133 MW</b>

**Table 11-A Wholesale Sales Contracts**

<b>DEC Aggregated Wholesale Sales Contracts</b>								
<b>Commitment (MW)</b>								
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
1997	1797	2015	1782	1758	1777	1794	1807	1827

**Notes:**

- For wholesale contracts, Duke Carolinas/Duke Progress assumes all wholesale contracts will renew unless there is an indication that the contract will not be renewed.
- For the period that the wholesale load is undesignated, contract volumes are projected using the same methodology as was assumed in the original contract (e.g. econometric modeling, past volumes with weather normalization and growth rates, etc.).

**Table 11-B Firm Wholesale Purchased Power Contracts**

<b>DEC Aggregated Firm Wholesale Purchased Power Contracts</b>			
<b><u>Capacity Designation</u></b>	<b><u>Summer Capacity (MW)</u></b>	<b><u>Location</u></b>	<b><u>Volume of Purchases (MWh)</u> <u>Jul 16-Jun 17</u></b>
Base	56	NC	488,480
Intermediate	2	NC	8,378
Peaking	63	NC	22,347
Peaking	89	SC	607,962
Peaking	8	System	12,645

**Notes:**

- EOP: End of study period.
- Data represented above represents contractual agreements. These resources may be modeled differently in the IRP analyses.

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2017-10-E**

In Re:

Duke Energy Carolinas, LLC's  
Integrated Resource Plan (IRP)

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**CERTIFICATE OF SERVICE**

This is to certify that I, Toni C. Hawkins, a Paralegal with the law firm of Sowell, Gray, Robinson, Stepp & Laffitte, LLC, have this day caused to be served upon the person(s) named below Duke Energy Carolinas, LLC's September 27, 2017 response to Order No. 2017-577 in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

Jeffrey M. Nelson, Chief Counsel  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

Dated at Columbia, South Carolina this 27<sup>th</sup> day of September, 2017.

Toni C. Hawkins